

Insurance Programs

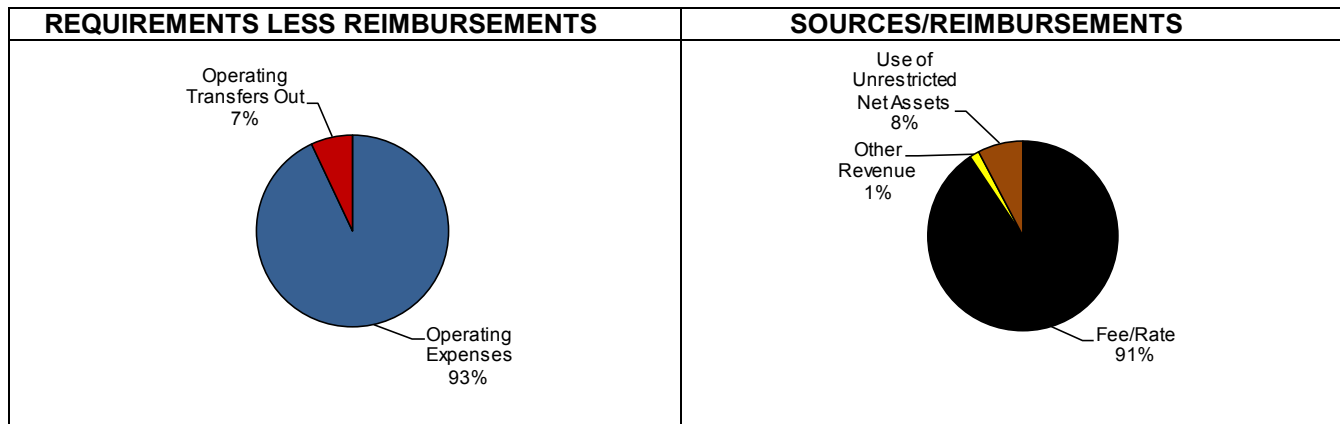
DESCRIPTION OF MAJOR SERVICES

Risk Management administers the County's self-insured workers' compensation, public liability, property conservation, safety and risk reduction programs and its insured programs. All programs are paid from self-insurance funds and financed by charging general fund and non-general fund departments, as well as Board-Governed Special Districts and County Service Areas. Each is billed for its specific coverage for the cost to pay losses under the self-insured programs and the cost of insurance for the insured programs.

Budget at a Glance

Requirements Less Reimbursements*	\$96,845,889
Sources/Reimbursements	\$89,389,185
Net Budget	(\$7,456,704)
Estimated Unrestricted Net Assets	\$10,747,053
Use of Unrestricted Net Assets	\$7,456,704
Total Staff	0
*Includes Contingencies	

2014-15 ADOPTED BUDGET



ANALYSIS OF 2014-15 ADOPTED BUDGET

GROUP: Administration
DEPARTMENT: Risk Management
FUND: Insurance Programs

BUDGET UNIT: VARIOUS
FUNCTION: General
ACTIVITY: Insurance Programs

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2013-14 Final Budget	2014-15 Adopted Budget	Change From 2013-14 Final Budget
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	60,568,396	67,173,901	62,512,745	68,403,173	92,088,831	90,060,545	(2,028,286)
Capital Expenditures	0	9,110	7,457	0	527	0	(527)
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	60,568,396	67,183,011	62,520,202	68,403,173	92,089,358	90,060,545	(2,028,813)
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	60,568,396	67,183,011	62,520,202	68,403,173	92,089,358	90,060,545	(2,028,813)
Operating Transfers Out	6,558,844	6,235,825	7,059,078	6,262,212	7,227,438	6,785,344	(442,094)
Total Requirements	67,127,240	73,418,836	69,579,280	74,665,385	99,316,796	96,845,889	(2,470,907)
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	58,486,072	67,268,843	68,078,017	84,186,876	63,796,500	87,805,500	24,009,000
Other Revenue	3,415,163	2,334,747	3,075,228	3,786,298	7,191,922	1,583,685	(5,608,237)
Total Revenue	61,901,235	69,603,590	71,153,245	87,973,174	70,988,422	89,389,185	18,400,763
Operating Transfers In	0	0	(60,720,621)	0	0	0	0
Total Sources	61,901,235	69,603,590	10,432,624	87,973,174	70,988,422	89,389,185	18,400,763
Net Budget*	(5,226,005)	(3,815,246)	(59,146,656)	13,307,789	(28,328,374)	(7,456,704)	20,871,670
Budgeted Staffing					0	0	0

*Net Budget reflects Total Sources less Total Requirements for Internal Service and Enterprise funds. When Net Budget is negative, it means that the department will be using assets that have been carried over from the prior year.

MAJOR EXPENDITURES AND REVENUE IN 2014-15 ADOPTED BUDGET

Operating expenses of \$90.1 million include judgment and settlement costs, medical treatment and expenses, temporary disability and loss earnings, property insurance, and legal defense services.

Operating transfers out of \$6.8 million include \$5.8 million in funding to the Operations budget unit and \$1.0 million in anticipated reimbursements to departments for claims costs.

Sources of \$89.4 million include \$87.8 million in insurance premiums collected from user departments.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are decreasing by \$2.5 million as a result of lower operating expenses due to an anticipated decrease in settlements as well as decreased operating transfers out representing lower program administration expenses.

Sources are increasing by \$18.4 million primarily due to additional premium allocations to the Workers' Compensation, General Liability, Law Enforcement Liability, and Auto Liability Programs that will help them reach the 80% confidence level of funding. It also includes a slight increase in anticipated interest revenue and insurance recoveries.

The use of \$7.5 million in unrestricted net assets is to pay additional catastrophic claims expected to be resolved in 2014-15.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit. Staff that administers these insurance programs are budgeted in Risk Management's Operations budget unit.

